WORLD-POLITICS.

LONDON: ROME.

LONDON, *October, 1909.*

ALL parties are bracing themselves for the great struggle. Within a few days after this letter appears in print we shall know whether we are to be plunged into a political and constitutional crisis of the first magnitude or whether, for the time being, it has been postponed or evaded. Prophecy under such conditions is an enterprise of even more than the usual hazard. Nobody, I think, can say definitely what course the Lords will adopt, whether they will accept the Budget or reject it, or amend it or hold their judgment in suspense until the people have passed upon its provisions. There is a strong and growing feeling that they will not accept it as it stands, but nobody can point to a single utterance by any Peer of the least political weight that justifies the feeling. I have talked of late with a good many Peers on the subject and, although they were hostile to the Budget, not one of them would admit that he was prepared to take the extreme step of throwing it out. From my talks with them I got the impression that the idea of rejecting the Budget—and anything short of acceptance is equivalent to rejection—is one that has been encouraged from without rather than prompted from within; that the Lords, if left to themselves, would follow the settled, normal practice of centuries and assent with nothing more than a verbal protest to the financial proposals of the Commons; and that any doubts as to their action in the matter are due to the clamor of the Opposition press, to a sort of angry suspicion they are being "dared" by the Government, and to the political pressure of the Tariff Reformers and the brewers. The only statesman of the first rank who has publicly urged the

Lords to reject the Budget is Mr. Chamberlain. He did so in a letter read out at a meeting in Birmingham addressed by Mr. Balfour; and it was extremely noticeable that Mr. Balfour in his speech took no notice whatever of the suggestion. Lord Rosebery, again, in his famous attack upon the Budget at Glasgow was careful to refrain from offering his fellow members of the Upper House any advice as to the line they should take. The "Times" once more, though it has fought almost every clause in the Budget with extraordinary vigor and skill, has lent no countenance to the revolutionary proposal that the Lords should throw it out. The "Spectator," which began by strongly advocating the right of the Upper Chamber to amend the Budget, has since abandoned a position that was opposed to the accepted usages of the Constitution and now expressly advises the Lords to accept it. It does so on the same ground that a General Election brought about by the Lords would result in the return of the present Government with a majority only slightly reduced, while the passing of the Budget would allow the nation to test the real character and effects of Mr. Lloyd-George's finance and so hasten the inevitable reaction.

The question, therefore, is still in suspense; no irrevocable decision has been taken; and if one were to say that the Lords do not want to reject the Budget, but feel they may be driven to it, the situation would, perhaps, be described with as much accuracy as the conditions allow. Powerful forces are undoubtedly at work to compel rejection. The Tariff Reformers who dominate the Unionist Party know, even if they do not acknowledge, that their cause has made no headway in the past six months, that the idea of taxing the food of the people never seemed less attractive than when contrasted with the idea of taxing land, and that, if once the Budget is allowed to become law, their propaganda has received its death-blow. They are, therefore, exerting themselves to the utmost to convince the leaders of their Party that only decisive action by the Lords can save them from political bankruptcy. The brewers, again, who were successful in inducing the Upper House to throw out the Licensing Bill of last year, whose influence with the Conservative Party is as indisputable as it is unhealthy, and who have already persuaded Lord Lansdowne, the leader of the Conservative majority in the Upper Chamber, to agree to receive a deputation after the

emergence of the Budget from the House of Commons and before its submission to the House of Lords, are equally vehement for rejection; and their forces are joined by those of the landowners and the great banking and financial interests. The pressure, therefore, upon the Conservative leaders in the House of Lords is very great, nor are arguments wanting to sustain it. The Budget, it is said, is more than a scheme for meeting the financial needs of the current year. Many of the taxes it imposes, and especially the taxes on land, will by the Government's own admission cost more to collect than they will yield in revenue for many years to come. Under the guise of a Budget Mr. Lloyd-George has really aimed at effecting a vast social and economic revolution. His land taxes not only smooth the way to the nationalization of the land, but are defended by arguments that would justify the realization of nine-tenths of the Socialists' policy. Many projects, such as that for taking a valuation of all the land in the kingdom and for developing rural interests and improving the road system, are made to form part of the Budget, although their purpose and effect are only incidentally financial. And on this hodgepodge of legislation the opinion of the country has never been asked or given. There is no mandate for it. The nation has not been consulted as to a single one of its provisions. For what purpose does the House of Lords exist if not to provide an interval for ascertaining the sober judgment of the nation? The legal right of the Lords to reject a Finance Bill is unquestioned, and the fact that it has not been exercised for many years does not and cannot mean that it has therefore lost its efficacy. And at what time or in what cause could it be better enforced than to stand between the nation and a Budget that attacks capital, that makes every property-owner tremble in his shoes, that diminishes employment at home by driving investments abroad, and that points clearly to Collectivism as the goal to which England is drifting?

Such are the arguments by which the Lords are being pressed to throw out the Budget, and in London, at any rate, they find an immense acceptance. But clubland and the West End and the opinions they represent are hardly ever synonymous with England, and at this moment they are probably the most fallacious guides that any one could consult who wished to get an insight into the real feeling of the country. I have never, indeed, been

more struck by the remoteness of the metropolis from national sentiment and by its inability to look beyond the four-mile radius, than during the last few weeks. Six months ago the Government were in the trough of popular disfavor. The reality of the reaction was so indisputable as to make the confirmation of the by-elections seem almost superfluous. Everything indicated a rapid decline. The most sanguine Ministers did not anticipate any better result from an appeal to the country than a majority dependent upon the Irish Nationalist vote. The Opposition were confident that even this result could not be obtained and that a General Election would return a Unionist Government to power with a clear lead over Liberals, Labor men and Nationalists combined. But he must be blind indeed who does not see that the whole situation has been radically transformed, that all the anticipations of six months ago have now to be abandoned, and that the Government at the supreme moment have made a miraculous recovery. From the tone and temper of public meetings all over the country, from those casual but illuminating conversations one overhears in railway carriages and wherever men do congregate, from the innumerable little tokens and straws that enable one to divine the inner workings of the popular mind, I get the distinct and overwhelming impression that the Government are stronger to-day than at any moment since they took office and that a General Election, if precipitated by the action of the House of Lords in regard to the Budget, would rouse in their support a degree of enthusiasm little, if at all, inferior to that of 1906. There is no apathy among Liberals to-day, no vacillation, none of that feeling—which six months ago was demoralizing even the rank and file—that the Government were making themselves ridiculous. On the contrary, wherever you come across a Liberal you come across a fighter, a man caught up by the impulse of what he profoundly believes to be a great and worthy cause, a man filled with the moral fervor that one half thought had been buried in Gladstone's grave. It is a fervor that has not only revivified Liberalism and brought to it once more the consciousness of being on the crest of the rising wave, but has communicated itself, unless I am wholly at fault, to the thousands whose party allegiance and principles are fluid and shifting and whose silent, dispassionate votes determine the rise and fall of British Governments.

The sole and sufficient cause of all this revival of energy and confidence is the Budget. There is a theory you will hear in the Carlton Club smoking-room that the Budget is not really popular, that all the clamor in its favor is raised by a bullying, stentorian minority, and that the deeper, more placid and in the end more effective currents of public opinion are running strongly against it. The theory is not intrinsically untenable. England is so difficult a country to gauge that one must always allow a liberal margin for the play of the unseen forces that may be felt and guessed at, but cannot be precisely traced. But in such matters I infinitely prefer, as a watch-tower from which to observe and calculate, a third-class railway carriage between, say, Manchester and Leeds to the whole of Piccadilly and Pall Mall. The theory that the popularity of the Budget, such as it is, is merely a factitious extravagance of the hour, and that the second thoughts of the nation will declare themselves strongly against it when the moment comes, is one I cannot subscribe to in the least. I have looked for evidence of it and found none. Not one of those subtle intimations or instincts that together form one's sense of atmosphere tends to confirm it. In my deliberate and, I believe, unbiassed judgment the Budget is not merely the most popular Budget, it is the only popular Budget that has ever been presented to this country. It is popular because it embodies a vast programme of social betterment, because it strikes a blow for that equality of opportunity which is the essence of democracy, because it exacts from monopolies that have hitherto escaped it a fair, and no more than a fair, return for the privileges extended to them by the community on which they thrive, because it asserts the right of the State to a share of the wealth created by the State, and because it observes the cardinal principles of Free-Trade finance.

Perhaps six months ago I should have said that the House of Lords was still the most popular and responsive Second Chamber in the world and quite beyond reach of a successful attack. Nobody would say as much to-day. Rightly or wrongly, the masses in this country, without distinction of party, believe it to be a fundamental part of the British Constitution that the Lords should have no voice in finance. They are utterly unimpressed by quibbles over the difference between "legal rights" and Constitutional usages and between a tax and a Tax Bill;

and they will never tolerate the violent breach in the fixed practice of the Constitution that the amendment or rejection of the Budget by the Lords would amount to. If the Upper Chamber adopts either of these extreme courses it will rouse against itself not only the enthusiasm engendered by the Budget, but the ingrained and ineradicable jealousy that any attempt to encroach upon the absolute discretion of the Commons in matters of finance has always and invariably inspired. I confess that the levity, recklessness and bitter partisanship with which the Lords are being urged to force a crisis leave me appalled. If they act on that advice their fate as a Second Chamber with any useful attributes is well-nigh sealed, and the Budget will sink into insignificance compared with the revolution they will have provoked. Much more is at stake than the land clauses or the super tax or the license duties or any merely political issue. The whole system of British government is at stake; and a General Election fought out on the joint question of the Budget and the House of Lords can only end in a new England under a new and hazardous Constitution.

ROME, *October, 1909.*

ITALY is undoubtedly not fortunate with regard to royal visits. The "evil eye," as they call it here, began in 1881, when in October of that year King Humbert and Queen Margherita went to Vienna to visit the Austrian Sovereigns, and to lay the foundation stone of the alliance which, concluded May 20th of the next year, has ever since bound the Peninsula to the Central Empires, although the manifestations of latent hostility are very frequent between Vienna and Rome, and even to a smaller degree between Rome and Berlin. Of course when the Italian Sovereigns went to the Austrian capital it was understood that the Emperor Francis Joseph would return the visit, but when negotiations were opened as to the details and arrangements it was found that he had never meant to set foot in the Eternal City, as a Papal decree exists prohibiting, under penalty of excommunication, any Catholic Sovereign or ruler from being the guest of the "usurper" of the Pontifical States in what had always been their capital. The Hapsburg Monarch had already visited the great Victor Emmanuel in Venice after that region had been freed from

Austria, but King Humbert, now that the question was put in the above terms, in entire agreement with his Government and people, proudly answered that he would receive the Austrian Emperor nowhere but in Rome and at the Quirinal, which the Vatican and the Papal party still call "the Apostolic Palace." Later Dom Carlos, the martyred King of Portugal, being the son of King Humbert's sister, believed that the prohibition would not extend to him on account of his close relationship to the Italian Sovereigns and started for Rome on an official visit to the Quirinal, but was stopped in Paris, where he was informed that if he carried out his project the Catholic Party in Portugal would join the Republicans and overthrow the Monarchy. Thus Dom Carlos's visit was also abandoned.

Last year the Prince of Monaco had announced his intention of being the guest of King Victor at the Quirinal for the purpose of delivering a lecture on Oceanography before the Italian Royal Geographical Society, but it was hinted that this Prince, whose desires of acting as mediator are well known, intended to see on the spot whether it was possible to do anything to bring about a reconciliation between the Vatican and Quirinal. What really took place is not yet entirely disclosed, but the fact remains that the Prince, on the ground of a bad cold, first postponed and then relinquished his project. The action of the Vatican is not known, but people remember that the ruler of the small Principality of Monaco is indebted to the Holy See for the annulment of his marriage with Lady Douglas Hamilton, and that he has at various times offered his yacht and his dominion in case the Pope should flee from Rome.

The only Catholic rulers who have defied the Pope's prohibition to come to Rome are the Prince of Bulgaria, who visited King Humbert after Leo XIII refused to consent to the then baby Boris, the Crown Prince of Bulgaria, changing his religion from Catholicism to Orthodoxy, and President Loubet.

The above-mentioned troubles were, as we have seen, always connected with Catholic Rulers, and were to a certain extent explainable, being the result of a situation unique in history, since Rome houses two Sovereigns, in conflict with each other, but each recognizing the other as a Sovereign.

It was another question, however, when fresh troubles arose with regard to the visit of the Russian Emperor to Rome. The

Tsar should have come to Rome in October, 1903, and his presence at the Quirinal was intended to have a great political significance outside Russo-Italian relations, as it would have affected Germany and Austria on the one hand and France on the other, since it was meant as the consecration of a new policy which King Vitcor tried to inaugurate after his accession to the throne. The presence of Italy in the Triple Alliance, owing to the inevitable friction between her and Austria, the latter being almost invariably supported by Germany, placed the Peninsula in a position of inferiority and almost of subjection.

The young King, helped also by the family connections of the Queen—formerly a Princess of Montenegro—with the Russian royal family, understood that the only way to free his country was to bring about a *rapprochement* with the Muscovite Empire, then not yet weakened by the Japanese war and which was the only Power capable of checking the Austrian desire of preponderance. Even then it was known that Austria was preparing the annexation of Bosnia and Herzegovina, and was contemplating a kind of *coup de main* on Albania, which was prevented by the Marquis Visconti-Venosta inducing Count Goluchowski to conclude an agreement by which Italy and Austria pledged themselves to respect the *status quo* there, and finally it was no secret that negotiations were going on at Constantinople to render possible a gradual German absorption of Tripoli. The gravity of such a situation will be easily understood when it is considered that Italy, while so treated by her allies, had concluded an agreement with France and with England in which her aspirations to Tripoli were acknowledged.

The visit of the Tsar, which should have been the crowning of this new situation, was suddenly interfered with by the attitude of a fraction of the Italian Socialists, who decided to receive the Russian ruler with hisses as a sign of protest against the autocratic Government of his Empire. Strong evidence has been gathered to demonstrate that Vienna was not extraneous to the attitude of the Socialists which Austrian emissaries fomented and encouraged. The Premier Zanardelli, telegraphing from his villa at Maderno, called them "savage demonstrations which put Italy beyond the pale of hospitable and civilized nations." To him Admiral Morin, who had succeeded Marquis Prinetti at the Foreign Office, telegraphed as follows after having received the Rus-

sian Ambassador: "M. Nelidoff showed himself much preoccupied at the possibility of the hooting, and said that he would desire an explicit assurance of the certainty of the Italian Government that the Tsar would not suffer in Italy the least affront; that if such an assurance cannot be given in an absolute way he, in the interests of the good relations between Italy and Russia, thought that it would be opportune to find a pretext to defer the journey." The Premier and Minister of Foreign Affairs answered, giving explicit and exhaustive assurances, and the King himself receiving M. Nelidoff confirmed them, saying that he would receive their Imperial Majesties (as the Tsarina was also coming) at the station and would be at their side throughout the time they remained in the Italian capital. After this Count Lamsdorff, the Russian Minister of Foreign Affairs, notified the Italian Ambassador in St. Petersburg that the Tsar "*espère pouvoir effectuer*" his journey in Italy between the 10th and 17th of October, remaining in Rome three days. All seemed settled when on October 10th M. Nelidoff went to the Foreign Office to read a statement to Admiral Morin in which he said that the hostile propaganda against the journey of the Tsar had produced a deplorable effect in Russia, and that he was "obliged by my position to watch over the preservation of good relations between our two countries, and am constrained to realize the conditions under which the journey would take place. My impressions, unfortunately, have aroused in me some fear that the hostile agitation of a portion of the Socialists may cause, notwithstanding all possible precautions, unpleasant incidents which would unfavorably impress the august visitors. As I could not in this respect assume any responsibility, I was obliged, scrupulously following the path of my conscience, respectfully to submit my impressions to my august Lord and express the humble advice that it would be advantageous to postpone the imperial journey."

Premier Zanardelli answered that he was "extremely surprised that, after the assurances of the Italian Government that the Emperor would be well received, M. Nelidoff should consider himself authorized to substitute his own responsibility to that of the Italian Government," and the King, telegraphing on October 11th, said that "the personal position of the Ambassador of Russia in Rome has become untenable through the small account which he has taken of the formal assurances of the Italian Gov-

ernment." M. Nelidoff was immediately transferred to Paris, the King refusing to receive him in farewell audience, as he also refused an audience to him when, after having presided over the Second Peace Conference at The Hague, he came to Rome thinking that in the four years' lapse of time the King's displeasure would have evaporated. By a strange coincidence M. Nelidoff was still Ambassador in Paris when, for the first time, the Socialists of allied France threatened the Tsar with the same hisses as their Italian companions, obliging him not to set foot in the Republic and to receive its President at sea.

Now at six years' distance the visit of Nicholas II to Italy causes the same trouble with regard to the Socialists at home, and the same,—in fact, a greater,—apprehension to the other members of the Triple Alliance, as the negotiations for the fourth renewal of that alliance are now being initiated. It was supposed that the way in which the Tsar paid his late visits to King Edward and President Fallières—viz., on his yacht—would solve the question of the visit to King Victor, the two Sovereigns meeting in the Mediterranean or the Adriatic, thus avoiding any fear that the Russian Emperor would hear any of those Socialist hisses that M. Nelidoff in his diplomatic note called a "least affront." Suddenly it was announced that the visit had again to be postponed on account of the health of the Tsarina, but unfortunately, even if it were true, no one believed it, as is only too natural considering past experiences. Of course Austria and Germany are secretly delighted, understanding that these contrarieties are just what they need to keep Italy for another period of years bound to them, and to prevent Russia from strengthening her international position. In all this affair of the Tsar's visit there has been the greatest short-sightedness on the part of Russian diplomacy, as M. Nelidoff, and probably his present successor, Prince Dolgoruki, have not understood that they should have thanked that dozen Socialists who, notwithstanding all the precautions and measures adopted by the Italian Government, would certainly have hissed the Tsar, as such a childish demonstration on their part would have caused a reaction leading to the most colossal manifestation of enthusiasm which any Sovereign has ever received in the Eternal City.